



NEWS RELEASE

Hunter Oil Agrees to Sell Oil and Gas Assets for USD \$21.35 Million

HOUSTON, TEXAS – August 1, 2018 – Hunter Oil Corp. (OTCQX: HOILF; TSX-V: HOC) (the "**Company**") is pleased to announce that it has agreed to sell (the "**Transaction**") substantially all of its oil and gas operations (the "**Assets**") to Pacific Energy Development Corp. ("**Purchaser**"), a Nevada corporation and a wholly-owned subsidiary of PEDEVCO Corp. (NYSE American: PED), an arm's length, California-based oil and gas company.

The aggregate purchase price for the Assets is USD \$21,315,636 (the "**Purchase Price**"), being approximately CAD \$27,710,000.

The Purchase Price represents approximate gross proceeds of USD \$1.63 (CAD \$2.12) for each issued and outstanding common share of the Company (a "**Share**") based on the 13,070,871 Shares outstanding.

The Company intends to distribute (the "**Distribution**") the available portion of the Purchase Price after payment of liabilities and obligations to the holders of the Company's Shares ("**Shareholders**") as a return of capital following closing of the Transaction, as described below.

All CAD figures herein assume a USD/CAD exchange rate of 1.30.

The Transaction provides Shareholders with a significant premium to the present market valuation, payable in cash, and avoids the substantial dilution associated with raising the USD \$20-30 MM management has estimated that initial field development would require. The Distribution provides Shareholders with an immediate cash distribution, while allowing Shareholders to retain their Shares.

The Transaction

The Transaction is structured as a sale of assets of the Company's holding companies, Milnesand Minerals Inc., and Chaveroo Minerals, Inc, and a sale of shares of the Company's operating companies Ridgeway Arizona Oil Corp. and EOR Operating Company. The Purchase Price is subject to certain normal course adjustments.

Closing of the Transaction is scheduled to occur on August 31, 2018. The Transaction is subject to the satisfaction of several conditions precedent including the approval of the Shareholders by special resolution (being 2/3 of the votes cast at the meeting), and the acceptance of the TSXV.

The board of directors of the Company has unanimously determined that the Transaction is in the best interests of the Company and is fair to the Shareholders and is unanimously recommending that the Shareholders vote in favour of the Transaction.

Certain directors and shareholders of the Company, who collectively own approximately 68% of the outstanding common shares of the Company, have agreed with the Purchaser to vote their shares in favour of the Transaction.

The Distribution

The Company plans to distribute substantially all of the available portion of the net proceeds of the Transaction to Shareholders as a reduction and return of capital (after payment of Transaction costs, the payment of all liabilities and obligations of the Company and retention of an amount to fund future working capital needs, estimated at USD \$2,500,000). The distribution is planned to be effected as soon as practicable after closing of the Transaction.

It is anticipated that the Distribution to Shareholders subsequent to completion of the Transaction should be approximately USD \$1.25 (CAN \$1.625) per Share.

Other Items

Upon completion of the Transaction, the Company will not have any significant active business operations or assets other than cash. Following completion of the Transaction and the Distribution the Company plans to seek to locate, evaluate and where advisable negotiate to acquire interests in additional oil and gas properties. There is no guarantee that the Company will be able to identify suitable oil and gas prospects, or that the Company will be able to negotiate acceptable terms for any prospects that it identifies. The TSXV may transfer the Company to the NEX, a separate board of the TSXV, if the Company fails to meet the ongoing minimum listing requirements of the TSXV.

Details of the Transaction and the Distribution, and the risks and procedures associated therewith, will be disclosed in greater detail in the information circular of the Company for the Shareholder meeting which the Company currently anticipates will be mailed to the Shareholders in August 2018 for an Annual General and Special Meeting of Shareholders to take place August 30, 2018.

Copies of the material agreements for the Transaction will be made available under the Company's profile on SEDAR at www.sedar.com.

ON BEHALF OF THE BOARD OF DIRECTORS

Andrew Hromyk
Executive Chairman
(604) 689-3355

NEITHER TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE

Cautionary Statement Regarding Forward-Looking Information

Certain information provided in this press release constitutes forward-looking statements and information within the meaning of applicable securities laws. Specifically, and without limitation, this press release contains forward-looking statements and information relating to: the anticipated benefits of the Transaction and the Distribution, estimated net proceeds remaining for distribution to Shareholders, the anticipated timing of the mailing of the information circular and the Shareholder meeting, the anticipated timing for the closing of the Transaction, and the amount and timing of Distribution. Forward-looking information typically contains statements with words such as “anticipate”, “believe”, “forecast”, “expect”, “plan”, “intend”, “estimate”, “propose”, “project”, or similar words suggesting future outcomes. The Company cautions readers and prospective investors in the Company’s securities not to place undue reliance on forward-looking information as, by its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by the Company. In respect of the forward-looking statements and information set out in this new release, the Company has provided such in reliance on certain assumptions that it believes are reasonable at this time, including assumptions as to currency exchange rates, estimated working capital based on the Company’s operations and revenue continuing in the normal course, settlement of obligations to Company management and the payment of transaction and retention bonuses, the time required to prepare and mail Shareholder meeting materials, the ability of the Company to receive, in a timely manner, the necessary Shareholder and stock exchange approvals, the ability of the Company to satisfy, in a timely manner, the other conditions to the closing of the Transaction, the process and timing for the Distribution, the number of Shares outstanding at the time of the Distribution, the estimated amount of the Transaction costs and the liabilities and obligations of the Company and the estimated amount of the net proceeds remaining for distribution to Shareholders. In addition to the assumptions above, the estimated net proceeds remaining for distribution to Shareholders is based on the following assumptions: the current United States dollar to Canadian dollar exchange rate and anticipated revenue and working capital until the closing of the Transaction based on operating in the normal course without any disruptions, unanticipated costs or inflation. There are many risk factors associated with the completion of the Transaction and the amount of working capital of the Company and the amount and timing of the Distribution payable to Shareholders. A number of factors could cause actual results to differ materially from those anticipated by the Company, including but not limited to risks and uncertainties inherent in the nature of the Transaction including the failure of the Company to obtain necessary Shareholder and stock exchange approval, or to otherwise satisfy the conditions to the Transaction, in a timely manner by the closing date or at all, risks of a material adverse change to the Company’s assets or revenue, risks of indemnity claims under the Agreement or other unknown liabilities that may arise, uncertainties regarding Transaction and Distribution and obligations and liabilities of the Company, natural disasters or workforce disruptions which may impact operations and revenue, change in government policies, currency fluctuations and controls, risks of high inflation and increased costs, changes in currency exchange rates, and other risks associated with the Company’s operations. The forward-looking information included herein is expressly qualified in its entirety by this cautionary statement. The forward-looking information included herein is made as of the date hereof and the Company assumes no obligation to update or revise any forward-looking information to reflect new events or circumstances, except as required by law. Additional information relating to the Company is also available on SEDAR at www.sedar.com.

For further information, visit our website at www.hunteroil.com